THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION NO.16261 OF 2006

DATED: 03rd AUGUST, 2006.

Between :

1. The Andhra Pradesh Farmers Crop Loanees Association, Pulladagunta, District Guntur, rep. by Its President Guntupally Ramanjaneyul; and 4 others. .. Petitioners

And

1. The Manager, Andhra Bank, Hindu College Campus, Guntur, Guntur District; And another. .. Respondents

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WRIT PETITION NO.16261 OF 2006

ORDER :

This writ petition is filed seeking a declaration that the action of the respondents in deducting Crop Insurance Premium from the crop loans released to the members of the petitioner association for the season 2006-2007 as arbitrary and illegal.

The issue involved in this writ petition is squarely covered by a decision of the Division Bench of this Court in ANDHRA PRADESH RYTHU SANGHAM v. UNION OF INDIA[1], wherein it was held as under :

> *"We are of the opinion that the scheme benefits the farmer indemnifying him against the crop loss. The amount of loan will be recovered from the insurance amount thereby a double purpose is served. The poor cultivator is indemnified against loss and the financial institutions which are Co-operative Banks are indemnified against loss by the General Insurance Corporation. This is a social security measure meant for the benefit of rural population and benefits only those who taken loans from the financial institutions. In other words, it is limited to the class of people who are getting subsidized loans from such institutions who themselves have got to be saved against the area in question. Such a Scheme cannot be said to be in any manner, unreasonable or arbitrary."*

In view of the ratio laid down by the Division Bench in the above case, the relief as prayed for cannot be granted.

Accordingly, following the above decision, Writ Petition is dismissed. No costs.

G. ROHINI, J.

Dt. 03-08-2006
gbs

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[1] 2002 (2) ALD 486 (D.B.)